# GOVERNMENT OF INDIA
# CHEMICALS AND FERTILIZERS
# LOK SABHA

UNSTARRED QUESTION NO:860
ANSWERED ON:07.02.2017
Decline in the Production of Urea
Ram Shri Vishnu Dayal

**Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:**

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state :

(a) whether there has been a sharp decline in the production of Urea and other fertilizers in the private sector companies during the last three years as compared to the targets fixed;

(b) if so, the details thereof and the reasons therefor; and

(c) the details of the subsidy given to these companies during the said period ?

## Answer

MINISTER OF STATE IN THE MINISTRY OF CHEMICALS & FERTILIZERS, SHIPPING, ROAD TRANSPORT & HIGHWAYS

(SHRI MANSUKH L. MANDAVIYA)

(a) & (b): The details of target and actual production of Urea & P&K fertilizers in the Private Sector companies during last three years are as under:-

(in 'LMT')

| Year | Urea | P&K |
|---|---|---|
| | Target | Production | Target | Production |
| 2013-14 | 100.52 | 93.52 | 84.64 | 64.17 |
| 2014-15 | 105.37 | 93.05 | 91.00 | 69.26 |
| 2015-16 | 103.80 | 104.60 | 90.55 | 72.55 |

From the above table, it is seen that there was some shortfall in the production of Urea during 2013-14 and 2014-15 in the private sector due to non-availability of adequate Natural Gas. Production of Urea exceeded the target in 2015-16 following the announcement of New Urea Policy- 2015 with the objectives of maximizing indigenous urea production; promoting energy efficiency in the urea units; and to rationalize the subsidy burden on the Government.



Production of P&K fertilizers is less than target due to huge quantities of unsold stocks of P&K fertilizers in the field, temporary shutdown of some plants for maintenance and limitations on account of availability of raw materials. This is a temporary phenomenon.

The gap between demand (requirement) and production is met through import.

(c): Total subsidy granted to indigenous Urea producing units and total subsidy given for indigenous P&K Fertilizers units during the last three years are as under:-

( Rupees in Crore)

| Year | 2013-14 | 2014-15 | 2015-16 |
|---|---|---|---|
| Total subsidy paid to indigenous urea producing units | 26500.00 | 38200.01 | 38200.01 |
| Total subsidy paid to indigenous P&K Fertilizers | 15500.00 | 12000.00 | 11969.01 |

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